OREGON BUSINESS REVIEW

BUREAU OF BUSINESS RESEARCH, SCHOOL OF BUSINESS ADMINISTRATION
UNIVERSITY OF OREGON, EUGENE, OREGON
WESLEY C. BALLAINE, EDITOR

FILE COPY
Bureau of Business and Economic Research

VOL. VII, No. 4 APRIL 1948

OREGON INDUSTRIAL TRENDS BY GEOGRAPHIAL AREAS*

O. K. BURRELL

Professor of Business Administration, University of Oregon

EDITOR'S NOTE: *This concludes a series of four articles on industrial trends in Oregon. Copies of the complete series may be obtained from the Bureau of Business Research, University of Oregon.*

In order to get a complete picture of industrial trends in Oregon, it is desirable to measure and compare the development of different areas within the state. Where in the state has industry grown and developed? This is also something of a practical problem. The planning of highway development, for example, requires consideration of industrial and economic trends within the state.

The data in the Census of Manufacturers probably are not sufficiently accurate for measurement of industrial trends within the state. Very little of these a are available by counties. Moreover, it is probable that at least some of the data have been credited to the area where the main office of the reporting firm is located. However, the decennial census in both 1930 and 1940 included a classification by occupation by counties. It is possible to measure the geographical distribution of industry within the state by analysis of these data.

Table 1 shows the number of persons in industrial, professional, clerical, and domestic service in the counties of Oregon in 1930 and 1940. The data include proprietors as well as wage earners, but do not include either farm workers or farm proprietors. This affords a reasonably accurate measurement of "industry" in the various counties. It is true that domestic workers and doctors and dentists are not ordinarily viewed as part of "industry." Nevertheless, it has been considered advisable to adopt this somewhat broad view of "industry," rather than the extremely narrow one of "manufacturing and mechanical."

On the basis of the data in Table 1, the leading counties in 1940 were: Multnomah, 39.9 per cent; Lane, 6.0; Marion, 5.5; Clackamas, 4.3; Klamath, 4.2.

It is interesting to note that the change from 1930 to 1940 was a relative decrease in "industry" in Multnomah County and a relative gain for upstate counties. Aside from Multnomah County, all counties showed an increasing share, except for small relative declines Clatsop, Columbia, Coos, Harney, and Tillamook counties.

(Continued on page 3)

* This is a portion of a report prepared for the Legislative Interim Committee for the Study of Highway, Road and Street Needs, Revenue and Taxation.

OREGON POPULATION CHANGES FROM 1945 TO 1948*

ELON H. MOORE

Professor of Sociology, University of Oregon

Two years ago the present writer, assisted by five students, traced the population changes in Oregon for the five-year period, 1940-1945. That study indicated a phenomenal increase of 25 per cent in Oregon's population during the preceding five years. The increase came largely from wartime migrants and was concentrated to a major extent in industrial areas.

What has happened in the three years since then? What is the strength of the peacetime migrant flow? Does it follow a direction similar to or different from that of the wartime period?

To provide answers to these questions the writer first compared the school-census records obtained in November and December 1944 with similar records gathered in late 1947. Then totals of the age group 6 to 14 in the 1944-45 census were compared with totals in the age group 9 to 17 in the 1947-48 census. Thus the same group was observed after a three-year interval, and any changes in the size of this group were assumed to reflect similar changes in the total population. If in County X there were 1,000 in the 6 to 14 group in 1944 and also 1,000 in the group 9 to 17 in 1947, we may assume no change in the total population of the county. If, on the other hand, we find 1,100 in this group in the later year, then the group has increased by 10 per cent and we may assume a similar 10 per cent increase in the county population. Except for the factor of deaths, of which there are relatively few at these ages, the above method measures the migrant changes.[1]

Populations also change as a result of natural increase, that is, the excess of births over deaths. These increases have been estimated for the several counties and included in the final totals for each.

Since the census records on births and deaths for the three years are as yet available only for the state

(Continued on page 2)

* This is a portion of a report prepared for the Legislative Interim Committee for the Study of Highway, Road and Street Needs, Revenue and Taxation.

[1] The method described above is satisfactory when the proportion of children in these ages is similar for both the migrant and the receiving populations. If the migrant group possesses a larger proportion of children in these ages, then the changes indicated below are exaggerated. If the children of the migrant group are fewer in proportion, then the estimates are too low. The counties of Benton and Lane would at present fit this latter exception, since the cities of Corvallis and Eugene have a heavy concentration of married veterans either without children or with children below the school-census age.

OREGON POPULATION CHANGES FROM 1945 TO 1948

(Continued from page 1)

as a whole, the state gain of 50,000 was prorated among the thirty-six counties on the basis of the 1945 population, plus or minus the migrant growth or loss for the period 1945-1948. Since the 50,000 of natural increase for the state averaged almost exactly 3.5 per cent, a blanket percentage increase of this amount was applied to each county. In view of earlier differences in births and longevity which favor the rural areas, this method doubtless somewhat overestimates the natural increase for highly urban counties, and by the same token underestimates it for markedly rural counties.

During the three years under discussion Oregon's population increased over 114,000. This represents an increase of more than 8½ per cent. This increase, while not so large as that of the previous five-year period, exceeds the rate of any previous peacetime increase since 1910.

TABLE 1. OREGON POPULATION

1940	1,089,684	
1945	1,362,066	272,382 increase
1948	1,476,257	114,191 increase

Nearly 60 per cent of the 114,191 increase for these three years may be credited to net migration into the state, an average of over 22,000 each year. The remaining 50,000 came from natural increase.

The most-significant difference between the war and postwar periods is found in the geographical areas of growth and decline. Over three-fourths of the wartime growth occurred in the three counties which make up the Portland area. During the last three years the Portland area has, through migration alone, lost some 35,000 people. The area of largest growth is now in southwestern Oregon and in the upper Willamette Valley. The nine counties including Lincoln, Benton, and Linn on the north and running south to the California border now claim, through migration alone, about 71,000 more persons than they did three years ago.

In the earlier report, the state was broken into five regions for purposes of comparison. The later changes for these regions are compared with the earlier population distributions in the table which follows:

TABLE 2. ESTIMATE OF POPULATION CHANGE FOR FIVE AREAS OF OREGON, 1945-1948

Area	*Pop. 1940*	*Pop. 1945*	*Migrant Gain or Loss*	*Natural Increase*	*Pop. 1948*
Eastern Oregon (18 counties)	210,993	208,949	16,537	7,829	233,378
S.W. Oregon (5 counties)	115,009	125,678	40,664	5,822	172,164
Upper Willamette Valley (6 counties)	239,781	275,997	34,505	10,926	321,428
N.W. Oregon (4 counties)	72,480	84,470	8,006	3,236	95,687
Portland area (3 counties)	451,423	666,972	-35,499	22,102	653,575
State of Oregon	1,089,684	1,362,066	64,213	49,978	1,476,257

Table 3 reveals the estimated migrant growth and the natural increase for each county since 1945, together with the estimated population for 1948. It also gives the changes in the size of the selected school-census group which provide the basis for the determination of present population size.

The heaviest migrant gains are registered in the five counties of Lane, Douglas, Jackson, Josephine, and Linn. These five counties account for over 60,000 of the total migrant increase. The counties of Benton, Tillamook, Coos, Yamhill, Malheur, and Lincoln are credited with a gain of 21,000. Only four counties—Multnomah, Morrow, Union, and Wheeler—experienced actual migrant decreases. Five others—Marion, Columbia, Klamath, Grant, and Lake—show only small increases. While Eastern Oregon fared better in the postwar period than in the preceding

TABLE 3. ESTIMATED POPULATION OF OREGON AND ITS COUNTIES—JANUARY 1, 1948.

County	*School Census 6-14 (1944)*	*School Census 9-17 (1947)*	*Per Cent Change*	*1945 Population*	*Migrant Increase 1945-48*	*Estimated Natural Increase*	*Estimated Population 1948*
Baker	2,135	2,388	11.85	14,924	1,768	584	17,276
Benton	2,696	3,290	22.00	20,414	4,491	930	25,835
Clackamas	10,943	11,364	3.85	76,592	2,949	2,784	82,325
Clatsop	3,428	3,722	8.58	32,367	2,811	1,245	36,818
Columbus	3,486	3,494	0.23	23,767	55	834	24,656
Coos	4,283	4,814	12.40	31,550	3,912	1,241	36,703
Crook	958	1,010	5.43	6,979	379	258	7,616
Curry	526	683	29.27	3,030	887	137	4,054
Deschutes	2,729	3,029	11.00	17,698	1,947	688	20,333
Douglas	4,333	6,399	47.68	31,415	14,979	1,624	48,018
Gilliam	274	311	13.50	2,330	315	93	2,738
Grant	870	881	1.25	5,864	73	208	6,145
Harney	700	747	6.70	4,292	288	160	4,740
Hood River	1,902	2,023	6.36	10,194	648	379	11,221
Jackson	5,810	7,524	29.50	39,472	11,644	1,789	52,[illegible]
Jefferson	256	513	100.40	2,722	2,733	191	5,[illegible]
Josephine	2,681	3,907	45.73	20,211	9,242	1,031	30,[illegible]
Klamath	6,957	7,006	0.70	39,229	275	1,383	40,887
Lake	951	971	2.10	7,779	163	278	8,220
Lane	11,902	14,405	21.03	82,956	17,446	3,514	103,916
Lincoln	2,218	2,698	21.64	15,325	3,316	652	19,293
Linn	6,276	7,355	17.20	38,080	6,550	1,562	46,192
Malheur	3,379	4,040	19.56	18,541	3,627	776	22,944
Marion	11,990	11,997	0.06	80,801	48	2,830	83,679
Morrow	684	660	−3.51	4,111	−144	139	4,106
Multnomah	55,361	51,242	−7.44	541,179	−40,264	17,532	518,447
Polk	3,489	3,871	10.95	21,139	2,315	821	24,275
Sherman	224	241	7.60	1,844	140	69	2,053
Tillamook	1,811	2,073	14.47	12,616	1,826	583	14,947
Umatilla	4,462	4,819	8.00	33,088	2,647	1,251	36,986
Union	2,658	2,511	−5.53	17,746	−971	505	17,362
Wallowa	917	992	8.18	6,263	512	237	7,012
Wasco	1,570	1,838	17.07	12,889	2,200	528	15,617
Washington	7,301	7,570	3.69	49,201	1,816	1,786	52,803
Wheeler	388	378	−2.58	2,456	−63	84	2,477
Yamhill	4,469	4,970	11.21	32,607	3,655	1,269	37,531

five years and gained some 16,000 in population through migration alone, many of the eastern counties are not back to the level of 1940. Of the eighteen counties in this region, only Crook, Jefferson, Lake, and Umatilla registered gains in both periods. Four which lost in the war period regained between 10 and 20 per cent in the last three years; these are Malheur, Baker, Wasco, and Gilliam.

In percentage of total gain Jefferson leads all other counties, with a phenomenal increase of over 100 per cent within the three-year period. Because of her small population in 1945, it required less than 3,000 to account for this doubling. In all, some ten counties reveal increases exceeding 18 per cent for the period, or above 6 per cent per year. Twelve other counties show increases of between 3 and 6 per cent each year. Even this lower percentage far exceeds the average yearly percentage growth of the state in the decades 1910 to 1940.

The decade 1940-1950 may for all time be known as the period of Oregon's greatest growth. Already within this decade Oregon has added close to 400,000 to her population. A state or county may pride itself upon its growth; but we soon discover that growth brings pain as well as pride. Already the growing pains of shortages and crowding have revealed themselves. We cannot add 400,000 in a space of eight years and expect that the roads, electricity, water, and schools will serve well both the million for whom they were built and supply the 400,000 newcomers also. These growing pains are especially acute in coastal counties and from Linn County south to the California border.

It must be kept in mind that the problems of many counties are far greater than those of the state as a whole. One-third of the counties have received the great preponderance of the state increase. To them have recently not only come the migrants from other states, but there has also been added to their numbers a great portion of the recent loss from the Portland area. The striking of a balance between people and facilities will not only require time—it will also cost money. Both public and private sights must be raised above those of eight years ago. Especially is this true for such counties as Clatsop, Douglas, Jackson, Jefferson, Josephine, Lane, and Linn. In these counties the provision and servicing of roads, schools and other facilities have become a 40 per cent o 100 per cent larger job than in 1940.

OREGON INDUSTRIAL TRENDS BY GEOGRAPHICAL AREAS

(Continued from page 1)

It should be pointed out that a decline in the percentage data in Table 1 does not necessarily imply an absolute decline in the population in industrial, professional, clerical, and domestic occupations. In Clatsop County, for example, the decline was from 2.8 per cent in 1930 to 2.7 per cent in 1940; but there was a slight increase in the absolute population in these occupations. In Multnomah County the decline was both relative and absolute.

Although their absolute industrial-population figures were not large, the very large relative gains made in the following counties deserve attention:

	Per Cent of Total 1930	1940
Crook	.2	.5
Hood River	.6	.9
Jefferson	.1	.2
Josephine	.9	1.2
Lake	.4	.6
Lincoln	.9	1.3
Malheur	.7	1.2
Morrow	.2	.3
Wheeler	.2	.3

Number of wage earners and "value added in manufacture" are available by counties for 1929 and 1939. These data were not used as a measure of industry in the various counties for two reasons. (1) In both years there was a fairly large "undistributed" figure. This was a result of the necessity for avoiding disclosure of exact or approximate data for individual establishments. (2) It was believed that in some cases this Census of Manufacturing data may have been credited to the county where the head office of the reporting firm was located rather than to the county where the manufacturing was done.

TABLE 1. INDUSTRIAL, PROFESSIONAL, CLERICAL, AND DOMESTIC WORKERS* INCLUDING PROPRIETORS (BUT NOT INCLUDING AGRICULTURE) BY COUNTIES, 1930 AND 1940

	1940		*1930*	
	Number	*Per Cent*	*Number*	*Per Cent*
Baker	4,863	1.4	4,506	1.4
Benton	5,130	1.5	4,748	1.4
Clackamas	14,468	4.3	12,032	3.7
Clatsop	9,278	2.7	9,136	2.8
Columbia	6,178	1.8	6,577	2.0
Coos	10,267	3.0	10,151	3.1
Crook	1,760	.5	565	.2
Curry	1,174	.3	850	.3
Deschutes	6,473	1.9	5,141	1.6
Douglas	6,349	1.9	5,257	1.6
Gilliam	720	.2	719	.2
Grant	1,831	.5	1,492	.5
Harney	1,425	.4	1,667	.5
Hood River	2,944	.9	2,002	.6
Jackson	9,913	2.9	9,329	2.8
Jefferson	585	.2	415	.1
Josephine	4,003	1.2	2,972	.9
Klamath	14,320	4.2	13,290	4.0
Lake	1,991	.6	1,200	.4
Lane	20,470	6.0	17,097	5.2
Lincoln	4,412	1.3	3,034	.9
Linn	7,230	2.1	5,316	1.6
Malheur	3,970	1.2	2,213	.7
Marion	18,549	5.5	16,755	5.1
Morrow	1,124	.3	818	.2
Multnomah	135,178	39.9	154,930	47.3
Polk	5,202	1.5	4,081	1.2
Sherman	623	.2	619	.2
Tillamook	3,495	1.0	3,449	1.1
Umatilla	7,082	2.1	5,290	1.6
Union	4,684	1.6	4,904	1.5
Wallowa	1,622	.5	1,254	.4
Wasco	3,990	1.2	3,331	1.0
Washington	9,981	2.9	6,766	2.1
Wheeler	918	.3	552	.2
Yamhill	6,845	2.0	5,207	1.6
Totals	339,047	100.0	327,665	100.0

* Does not include housewives.

TABLE 2. SHARE OF OREGON COUNTIES IN THE LUMBER INDUSTRY, 1940 AND 1946

	1940 (Based on Employment in Logging & Sawmills)	*1946 (Based on Lumber Cut)*
Counties with Increased Shares:		
Benton	1.7%	2.4%
Crook	1.1	1.5
Douglas	3.3	9.1
Grant	.7	1.0
Jackson	2.3	5.6
Josephine	.7	2.8
Lane	11.7	15.1
Linn	3.5	5.4
Morrow	.1	.3
Umatilla	.5	.9
Wallowa	.4	.6
Wasco & Jefferson	.4	.7
Wheeler	.8	1.0
	27.2	46.4
Counties with Shares Little Changed:		
Baker, Harney, Malheur	2.2	2.3
Coos	8.4	8.2
Hood River	.9	.8
Lake	1.3	1.2
Lincoln	3.4	3.7
Marion	2.5	2.2
Polk	3.3	3.2
Yamhill	2.7	2.3
	24.7	23.9
Counties with Decreased Shares:		
Clackamas	3.7	2.3
Clatsop	5.3	3.3
Columbia	5.1	4.2
Curry	.9	.1
Deschutes	5.2	3.5
Klamath	10.5	7.5
Multnomah	10.2	4.8
Tillamook	2.1	1.1
Union	1.7	1.0
Washington	3.4	1.9
	48.1	29.7

The same general pattern, however, is evident in these data as that indicated on the basis of population data. In 1929, Multnomah County contributed 42 per cent to the total "value added in manufacturing" in the state. In 1939 the comparable figure was 35 per cent.

No attempt has been made to measure the composition of the relative gains made between 1930 and 1940 by the up-state counties at the expense of Multnomah County. The available data are not adequate to form a basis for such an analysis. The possibility is suggested, however, that the shift was at least in part a reflection of the movement of the lumber industry away from the Columbia River area and toward more-adequate timber supplies.

This possibility, together with the fact that 1940 is now nearly a decade in the past, suggests an attempt to measure and trace the changes in the intrastate location of the lumber industry in the period since 1940.

For 1940 the share of the various counties in lumber production has been measured by 1940 population data. The number of persons in each county in two occupational groups, logging and sawmills, was taken as the measure of the lumber industry. The total population in the state in these two industry-employment classifications was taken as 100 per cent and the share of each county computed by dividing the county total by the state total.

For 1946 the shares of the various counties in the lumber industry has been computed from statistics of lumber sawed, as reported by the U. S. Bureau of the Census.[1] The total lumber sawed in the state was taken as 100 per cent and the county shares computed by dividing the county totals by the state total.

Table 2 shows the shares of the various counties in the lumber industry as thus computed for 1940 and 1946. The counties are divided into groups according to the change between 1940 and 1946.

The data reflect the considerable shift that has taken place from the Multnomah-Clatsop-Columbia-Clackamas area plus Klamath and Deschutes counties and toward the Lane-Douglas-Linn-Benton area. The increased shares of Lane and Douglas counties are outstanding. Ten counties that accounted for almost half the industry in 1940 accounted for a little less than 30 per cent in 1946. Fourteen counties that had a little more than a quarter of the industry in 1940 had nearly half the industry in 1946. It should be noted that the data in Table 2 reflect percentages of the state total and not the absolute level of production. It is quite possible that a declining share of the total may represent a larger absolute volume of production. Indeed this is quite likely in view of expanding lumber production in Oregon from 1940 to 1946.

[1] *Facts for Industry, Lumber Production in Western States and Alaska, 1946.*

CURRENT BUSINESS TRENDS IN OREGON

BANK DEBITS

Bank debits represent the dollar value of the checks drawn against individual deposits. Approximately 90 per cent of all goods, property, and services is paid for by check. Bank debits are regarded as indicators of the general trend of business, though their value for this purpose may be impaired by substantial changes in the level of prices. The Bureau of Business Research collects bank debits from 92 banks and branches monthly. On occasion, the totals for the same month in different issues of the *Review* are not directly comparable because of necessary adjustments in basic data.

Marketing Districts	*Number of Banks Reporting*	*Debits Feb. 1948*	*Debits Jan. 1948*	*Debits Feb. 1947*	*Feb. 1948 compared with Jan. 1948*	*Feb. 1948 compared with Feb. 1947*
Oregon	87	$809,350,406	$944,663,571	$732,452,634	−14.3	+10.5
Portland (Portland, Hillsboro, Oregon City, etc.)	24	520,138,624	587,353,046	468,173,769	−11.4	+11.1
Lower Willamette Valley (Salem, McMinnville, etc.)	9	62,059,351	73,001,655	59,979,656	−15.0	+ 3.5
Upper Willamette Valley (Albany, Corvallis, Eugene, etc.)	10	73,217,517	87,497,376	63,024,345	−16.3	+16.2
North Oregon Coast (Astoria, Tillamook, etc.)	5	17,902,628	22,092,699	15,952,539	−19.0	+12.2
Douglas, Coos Bay	5	22,434,219	23,981,333	18,898,941	− 6.5	+18.7
Southern Oregon (Ashland, Medford, Grants Pass)	5	32,076,553	36,860,356	30,173,197	−13.0	+ 6.3
Upper Columbia River (The Dalles, Hood River, etc.)	7	11,635,517	17,998,031	12,367,031	−35.4	− 5.9
Pendleton area	6	13,153,908	20,734,046	14,104,992	−36.6	− 6.7
Central Oregon (Bend, Prineville, Redmond)	3	11,421,864	13,597,934	8,899,106	−16.0	+28.3
Klamath Falls, Lakeview area	4	23,121,854	30,517,259	20,797,789	−24.2	+11.2
Baker, LaGrande area	6	14,392,005	19,286,755	13,392,538	−25.4	+ 7.5
Burns, Ontario, Nyssa	3	7,796,366	11,743,081	6,688,731	−33.6	+16.6

BUILDING PERMITS

Building permits give an indication of building operations planned rather than actual construction under way. Care must be taken, in interpreting these data, to allow for the lag which may elapse between the issuance of the permit and the beginning of actual construction. The data have been collected by the Bureau of Business Research.

	New Residential Feb. 1948	*New Nonresidential Feb. 1948*	*Additions, Alterations & Repairs Feb. 1948*	*Totals Feb. 1948*	*Totals Jan. 1948*	*Totals Feb. 1947*
Astoria	$ 25,500	$ 25,950	$ 5,150	$ 56,600	$ 45,195	$ 89,045
Baker	6,800		5,253	12,053	58,500	32,250
Bend	15,000	9,800	16,785	41,585	90,498	74,190
Corvallis	21,500	1,750	10,050	33,300	25,150	51,300
Eugene	14,000	73,500	30,260	117,760	151,603	172,467
Grants Pass	75,875	58,845	13,675	48,395	107,737	90,201
Klamath Falls	44,000	35,600	47,568	127,168	110,487	249,856
LaGrande	4,000	40,100	15,225	59,325	1,670	97,01
Medford	123,300	95,500	10,400	193,200	313,450	435,860
Oregon City	13,000	9,000	1,850	23,850	15,250	24,285
Portland	1,554,170	348,030	613,065	2,615,265	4,278,455	2,110,105
Salem	178,250	67,516	28,039	273,805	400,775	291,502
The Dalles	37,500	750	16,180	54,430	29,370	25,425
19 other communities	308,950	102,586	35,125	446,661	593,428	468,225
Totals	$2,421,845	$ 832,927	$ 848,625	$4,103,397	$6,221,568	$4,211,721